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October 22, 2004



Surface Transportation Board 1925 K Street, N.W., Suite 715 Washington, DC 20423-0001

Attn: Hon. Vernon Williams

Re: AB-307 (Sub-No. 5X)

Dear Mr. Williams:

Enclosed is the original Declaration of Christopher C. Meyers, without the exhibits, for filing in the above case.

On October 18, 2004, I sent to the Surface Transportation Board by overnight delivery the original and ten copies of Intermountain Resources' Motions with Mr. Meyers' Declaration attached as an exhibit. The Declaration attached to the Motions contained a faxed copy of Mr. Meyers' signature. This original Declaration, without exhibits, is intended to replace the Declaration that is attached to the Motions.

Please let me know if this raises any question. Thank you.

Yours truly,

2-11/1

LOG:mt Enclosure

Copies without enclosure:

Karl Morell
Thomas Rumpke
Town of Saratoga
Saratoga-Carbon County Impact
Joint Powers Board

Office of Proceedings

OCT 28 2004

Part of Public Record

BEFORE THE

SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-307 (SUB-NO. 5X)

WYOMING AND COLORADO RAILROAD COMPANY, INC.
--ABANDONMENT EXEMPTION-IN CARBON COUNTY, WYOMING

DECLARATION OF CHRISTOPHER C. MEYERS

I, CHRISTOPHER C. MEYERS, make the following

Declaration in support of the Motions filed on behalf of

Intermountain Resources LLC (IMR).

On August 27, 2004, IMR's attorney reported to me that Wyoming and Colorado Railroad Company, Inc.'s (WYCO) counsel urged negotiations between Greg Kissell of WYCO and a designated representative of IMR. I am the IMR representative designated to negotiate with Mr. Kissell.

I had two telephone conversations with Mr. Kissell. I told him that IMR is ready to negotiate an agreement with WYCO. I asked him for rate information and also what other terms WYCO would need to sign an agreement with IMR.

Mr. Kissell refused to talk about an agreement or to negotiate. He told me that WYCO's attorney instructed him not to release any specific contract information until he

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(the attorney) told him to do so. Mr. Kissell said that WYCO's attorney would be filing a major document on September 27, 2004, and that he could not talk to me until after that document was filed and only then if WYCO's attorney authorized discussions or negotiations.

Mr. Kissell also told me that WYCO would not negotiate with IMR unless IMR withdrew its Protest. I told Mr. Kissell several times that IMR wanted to negotiate an agreement, and that IMR needed to have an agreement with WYCO before it could reopen the mill at Saratoga. Mr. Kissell continues to refuse to negotiate.

I have read WYCO's Reply. Several statements in the Reply are untrue. Attached to this Declaration is a copy of the Reply with the untrue statements highlighted. They are:

1. "More importantly, not one Protestant offers to subsidize WYCO's future losses on the Line." p. 4.

IMR has always been willing to subsidize WYCO's future losses. I have asked Mr. Kissell what WYCO needs or wants. He refused to talk about it.

2. "Intermountain, however, fails to explain why, if rail service is an essential element of its operations, it acquired the facility in September 2003, eight months after it closed, without even inquiring whether rail service were still available, much less entering into an arrangement with WYCO to ensure that rail service would be available in the future. Most disconcerting to WYCO is Intermountain's

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misrepresentations to the Board concerning the discussions between the parties last year and its purported willingness and ability to now enter into a subsidy arrangement." pp. 4-5.

I told Mr. Kissell, before IMR filed its Protest, that IMR would sign an acceptable agreement with WYCO. Mr. Kissell told me that he did not know how much WYCO would require. I made no misrepresentations to the Board. My first Declaration correctly reported the substance of our conversations.

3. "After filing its Protest, Intermountain informed WYCO that the facility will not open on October 15th and that it was not yet prepared to discuss much less sign a take-or-pay contract." p. 5.

I told Mr. Kissell that IMR needed an agreement with WYCO before it could reopen the mill. IMR was and is prepared to sign a take-or-pay contract.

4. "Intermountain readily concedes that all inbound movement of logs will be by trucks, yet Intermountain would have the Board believe that the same product, once refined at the mill, is economically incapable of moving 50 miles by truck to a nearby UP transload facility. There are other mills without rail service that are presumably operating profitably. Moreover, one of the outbound commodities is wood chips which, at least in recent years, moved primarily by truck." subnote 1, p. 6.

I told Mr. Kissell that it is foreseeable that

IMR may want to ship logs to the mill from northern Wyoming

or Utah by rail. Typically, though, independent loggers

deliver logs to the mill in log trucks. Log trucks can

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haul logs but not lumber. They are not built to haul anything but logs. The mill has to ship its manufactured product to the buyers. Many towns have local trucking companies or private truckers available to perform this service, but Saratoga does not. There may be other mills that operate profitably without rail service, but there are no other mills in Saratoga, Wyoming. Wood chips are normally shipped by rail. If they are not, however, the quantity of wood chips shipped is low enough that they can be shipped by truck. Moreover, wood chips can be stored almost indefinitely and shipped when transportation is available. Lumber, however, must be shipped promptly to fill pending orders.

5. "If Intermountain is serious about retaining rail service, its efforts would be better served by negotiating a private arrangement with WYCO rather than seeking to have the Board deny the abandonment request." p. 7.

WYCO's representatives refuse to talk about an agreement -- private or otherwise. IMR wants an agreement and will try to work one out if WYCO will authorize its representative to do so.

6. "Even at this late date, Intermountain demonstrates no urgency or serious desire to enter into meaningful negotiations with WYCO for continued rail service. Intermountain found the time and resources to file a Protest and stir up opposition from the other Protestants but, until last Friday, was not willing to meet with WYCO to negotiate a contract.

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Intermountain's conduct suggests that either it is still not certain that the mill will reopen or it is simply using the existence of rail service as leverage in negotiating other transportation arrangements." p. 8.

I have urged Mr. Kissell to discuss pricing. I have asked him what WYCO wants. In our last conversation, Mr. Kissell stated that he had not put all of the cost figures together and hence they were not available to discuss with me at this time. Upon compilation of all of the cost calculations and pricing, he would need consent from his attorney before he could enter into negotiations with IMR and that he would call me when that permission was available.

I, CHRISTOPHER C. MEYERS, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Declaration.

Date: October <u>18</u>, 2004.

CHRISTOPHER C MEVER

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